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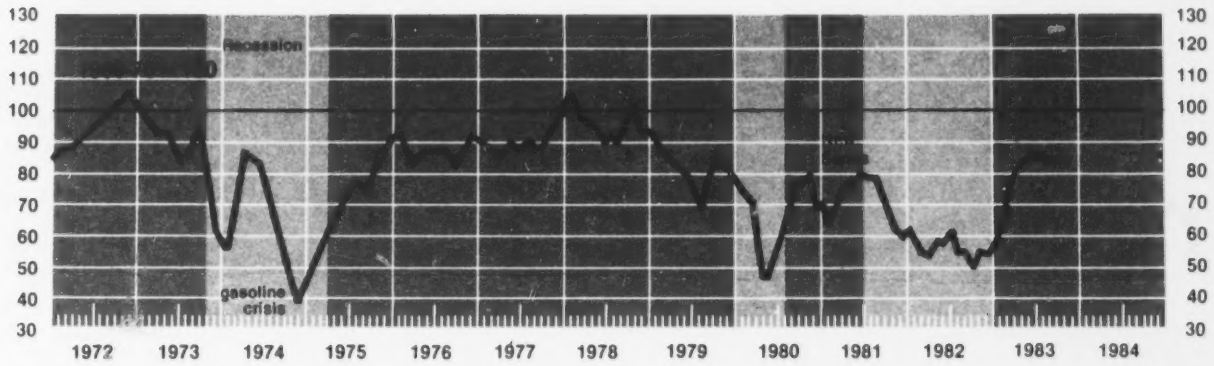
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

October, 1983



CONSUMERS ARE CONFIDENT, PLANS TO BUY STRONGER

The consumers continue to be in a good mood. The Board's Confidence Index (1969-1970 = 100) currently stands at about 84. It has sustained this level with minor fluctuations over the past five months. However, buying plans were markedly stronger in September.

Consumers continue to grow increasingly comfortable with the current situation. While early in the year they expressed considerable concern about the state of business and, most particularly, the employment situation, they are now more optimistic in their views on both of these issues. Although there has been a rather sturdy improvement in recent months in the consumer's view of the ongoing situation, pessimists continue to outnumber optimists by a good margin.

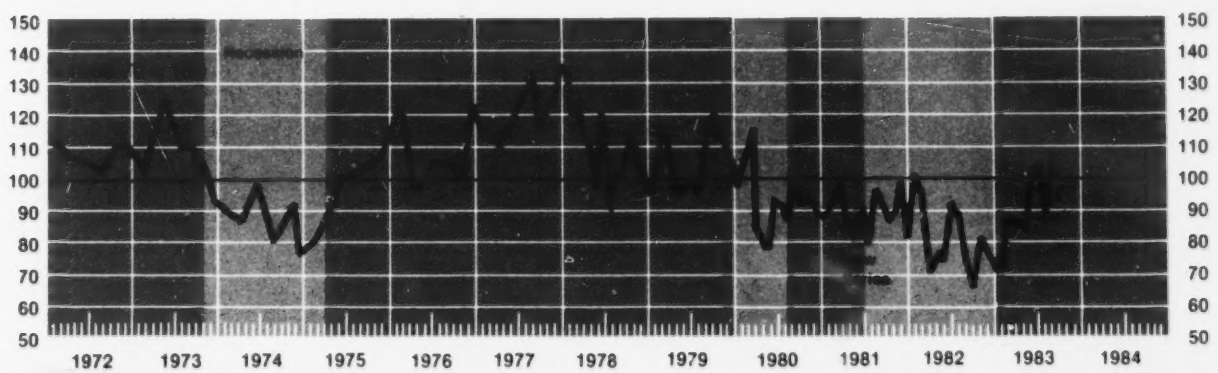
In looking ahead to the next six months, they continue to be quite confident—in their expectations of job opportunities, their personal finances, and the economy in general. There has been some small edging off from the record level of consumer expectations registered this past Spring, but this is not unexpected as an increasing number of persons become more satisfied with prevailing conditions.

Buying plans, which have fluctuated in recent months, chalked up an imposing gain in September. Plans to buy a car were indicated by 8.6% of all respondents, up from a prior 7.2 percent. The current figure is the highest it has been in a long time. Plans to buy a home are also up strongly: to 3.7% of all survey participants from 3.0% last time. With home-purchasing intentions up, plans to acquire major appliances are also more numerous.

The message from the consumer in September suggests that the business recovery will continue to be vigorous for quite some time ahead. The consumers' increasing comfort with present circumstances, their confidence in viewing the immediate future, and the sharp rise in their plans to spend bode well for the economy for the rest of this year, and at least the early months of 1984.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households

All series seasonally adjusted	1982 Sept.	Oct.	Nov.	Dec.	1983 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.(r)	Sept.(p)
Composite Series: Index Numbers, 1969-1970 = 100													
Consumer Confidence Index	54.4	49.7	54.8	53.5	58.0	65.8	77.1	80.3	84.0	84.9	84.7	84.6	83.9
Present Situation	13.4	13.6	13.6	12.9	13.8	14.1	19.5	23.9	28.2	32.8	37.2	39.3	41.7
Expectations	81.8	73.7	82.3	80.7	87.5	100.3	115.5	117.9	121.2	119.6	116.3	114.8	112.1
Buying Plans Index	75.3	66.7	80.5	75.2	71.9	75.8	87.9	86.0	85.2	103.6	100.5	89.9	108.6
Appraisal of Present Situation: Percent													
Business Conditions													
Good	6.7	6.7	7.4	7.3	7.3	7.7	10.1	11.4	13.5	15.0	15.9	16.5	18.1
Bad	55.2	55.3	54.6	58.6	53.1	53.2	47.8	44.7	38.7	36.9	33.2	33.5	31.5
Normal	38.1	38.0	38.0	34.1	39.6	39.1	42.1	43.9	47.8	48.1	50.9	50.0	50.4
Employment													
Jobs plentiful	3.3	3.5	2.9	2.9	2.9	2.7	3.5	4.9	4.6	5.9	6.8	7.4	7.3
Jobs not so plentiful	36.4	36.4	35.9	34.7	37.1	38.7	42.2	41.7	44.1	45.5	45.9	48.6	48.2
Jobs hard to get	60.3	60.1	61.2	62.4	60.0	58.6	54.3	53.4	51.3	48.6	47.3	44.0	44.5
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	26.0	22.1	25.7	25.5	25.7	32.2	39.2	38.9	39.1	37.6	36.6	32.7	30.4
Worse	19.3	21.8	18.0	20.9	14.8	11.5	7.1	6.2	4.8	5.3	6.6	6.6	6.8
Same	54.7	56.1	56.3	53.6	59.5	56.3	53.7	54.9	56.1	57.1	56.8	60.7	62.8
Employment													
More jobs	20.8	18.2	21.5	20.6	19.3	24.2	31.6	31.0	30.8	29.7	28.9	26.6	24.6
Fewer jobs	27.6	29.9	27.1	28.0	22.3	16.9	13.7	11.9	10.1	11.0	13.0	12.1	13.2
Same	51.6	51.9	51.4	51.4	58.4	58.8	54.7	57.1	59.1	59.3	58.1	61.3	62.2
Income													
Increase	22.8	21.6	20.8	24.0	22.9	20.5	24.8	26.6	25.9	26.0	28.7	26.0	27.2
Decrease	12.5	13.6	12.6	12.7	11.9	10.6	9.1	9.6	9.6	8.9	8.9	8.8	8.8
Same	64.7	64.8	66.6	63.3	65.2	68.9	66.1	63.8	64.5	65.1	62.4	65.2	64.0
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	5.7	4.9	6.0	5.6	5.1	5.4	7.2	6.1	6.0	8.4	7.8	7.2	8.6
New	3.0	2.8	3.2	3.1	3.0	3.1	3.9	3.4	3.6	4.7	4.1	3.4	5.0
Used	2.1	2.0	2.6	2.1	1.9	2.0	2.8	2.4	2.1	2.2	2.7	2.4	3.3
Uncertain	0.6	0.1	0.2	0.4	0.2	0.3	0.5	0.3	0.3	1.5	1.0	1.4	0.3
Home													
Yes	1.8	1.9	2.8	2.3	2.4	2.4	2.7	3.1	2.8	3.4	3.3	3.0	3.7
New	0.3	0.4	0.3	0.4	0.6	0.4	0.6	0.6	0.8	1.0	1.1	0.8	1.1
Lived in	0.9	0.9	1.8	1.2	1.3	1.5	1.4	1.8	1.3	1.7	1.3	1.5	1.7
Uncertain	0.6	0.6	0.7	0.7	0.5	0.5	0.7	0.7	0.7	0.7	0.9	0.7	0.9
Major appliances													
Total plans	23.8	20.4	21.2	22.8	22.1	22.3	23.7	23.4	25.5	27.7	29.2	23.8	29.1
Refrigerator	3.3	2.9	3.0	3.3	3.0	3.2	3.3	3.9	3.8	3.3	4.7	3.4	3.8
Washing machine	3.3	2.8	2.8	2.7	2.9	2.4	2.7	2.9	3.2	4.3	3.5	2.7	4.0
Black and white TV	0.9	0.9	0.9	0.9	0.7	1.1	0.9	0.5	1.0	0.7	0.7	0.9	1.1
Color TV	6.1	5.7	5.6	6.1	5.4	5.8	6.5	6.1	7.4	8.1	7.6	6.1	7.7
Vacuum cleaner	4.2	3.2	3.6	4.0	4.3	4.1	4.3	4.2	3.9	4.6	5.0	4.1	5.0
Range	2.1	1.8	2.0	2.4	2.2	2.4	2.2	2.4	2.2	2.6	2.8	2.3	2.3
Clothes dryer	2.6	2.1	2.2	2.3	2.4	2.5	2.5	2.3	2.8	2.8	3.4	2.8	3.0
Air conditioner	1.3	1.0	1.1	1.1	1.2	0.8	1.3	1.1	1.2	1.3	1.5	1.5	2.2
Carpet	7.5	6.4	6.5	6.0	5.1	7.6	7.2	6.7	6.9	7.3	6.7	6.9	7.9
Vacation Intended Within Six Months: Percent													
Vacation Intended		43.0		44.7		46.3		43.4		48.1		47.2	
Destination													
Home state		9.3		8.5		11.1		8.4		9.2		9.9	
Other states		29.8		31.8		31.6		30.9		34.2		32.8	
Foreign country		4.6		5.1		5.1		5.7		6.6		6.2	
Means of Travel													
Automobile		28.5		28.9		30.5		28.0		32.5		31.5	
Airplane		13.1		15.0		15.2		15.2		17.1		15.5	
Other		3.7		3.3		3.6		3.2		4.3		3.6	

New Series: Beginning May, 1981 the NFO sample includes all types of households, prior to that families only. To link results overlapping surveys were conducted for four months commencing with May. Data are available on request. (p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein at (212) 759-0900.